

## Goldberg: It's time for Lottery to get in on fantasy sports game



Photo by: Angela Rowlings

OFF THE SIDELINES: State Treasurer Deborah Goldberg says that the state Lottery should set up its own daily fantasy sports site, ala DraftKings.

Wednesday, October 7, 2015

By: Matt Stout

Treasurer Deborah Goldberg, seizing on allegations a DraftKings staffer illegally profited on insider information, wants the Lottery to launch its own fantasy sports website, touting safeguards that bar lottery staffers from taking part in state-sponsored betting.

"We're watching an explosion in the marketplace of gaming that is appealing to a younger customer and more sophisticated customer that hasn't typically been a Lottery customer," Goldberg, whose office oversees the Lottery, told the Herald yesterday. "So it would behoove us ... to be looking at what's out there and how it might work and why we might be better. ... We have to look at markets that have never been ours.

"Lottery employees are not allowed to play the Lottery, so there isn't the issue of self-dealing internally that may happen in a non-regulated environment," she added. "We are in a very regulated environment."

Goldberg cautioned that it's "very, very early" in her office's internal discussions, and that any leap into online fantasy sports would likely require legislation. But she sees fantasy sports as a

new source of revenue that can pump money back into cities and towns, buttressing local aid provided by Lottery sales.

"We've been at this for 40 years. Our mission is not profit-driven at all," Goldberg said. "And we have built into that a lot of safeguards. We try to deal with compulsive gambling."

Goldberg's proposal comes in the wake of a Herald report yesterday that the wildly popular Boston-based fantasy sports site, DraftKings, is reeling from accusations one of its employees gained financially from inside information.

The staffer is accused of using data from other players' NFL picks to draw up his own fantasy team on a rival site, FanDuel, where he reportedly won \$350,000.

In a typical NFL game, users place their wagers, then pick players for their fantasy rosters; the team with the most points can win a designated jackpot.

DraftKings and FanDuel issued a joint statement, saying, "Nothing is more important to DraftKings and FanDuel than the integrity of the games we offer to our customers. Both companies have strong policies in place to ensure that employees do not misuse any information at their disposal and strictly limit access to company data to only those employees who require it to do their jobs. Employees with access to this data are rigorously monitored by internal fraud control teams, and we have no evidence that anyone has misused it."

ESPN, however, announced it's cutting sponsored DraftKings content from within its shows, though it will continue to broadcast its commercials.

The New York Attorney General has opened an inquiry into whether DraftKings and FanDuel staffers are profiting from insider information, the New York Times reported last night.

Attorney General Maura Healey, who announced two weeks ago she is reviewing DraftKings, declined to address reporters' questions about the Hub site yesterday after testifying at an unrelated State House hearing. Healey has characterized her review as a fact-finding mission sought by DraftKings.

Elaine Driscoll, a spokeswoman for the Massachusetts Gaming Commission, said DraftKings does not fall in the panel's purview, though it has held forums examining online gambling in the past.

"It's not something we're looking at, but if the Legislature were to ask us (for a formal review), I'm sure it's something the commission would do," she said.

Goldberg said she'd leave it to Healey to make her determinations about DraftKings, but said the red-hot fantasy sports market presents a new opportunity for the state. The site, which employs 260, is valued at \$1.2 billion and boasts 3 million users.

"You don't want to be 20 years from now and say, 'Gee we missed the market,' " she said.